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C O N F I D E N T I A L SECTION 01 OF 02 ISTANBUL 000588

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TAGS: PGOV PREL TK

SUBJECT: POWER AT ANY PRICE? CEM UZAN'S POLITICAL AMBITIONS

REF: ANKARA 2516

Classified By: Consul General David Arnett for Reasons 1.5 (b & d)

(C) Summary: Initial contacts with Youth Party (GP) officials in Istanbul confirm our belief that the party is essentially a vehicle of convenience for media tycoon Cem Uzan's considerable political ambitions. At the same time, GP is not resting on its laurels, but instead is moving quickly to build up a grass-roots presence throughout Istanbul, while Cem Uzan himself is reaching out to mainstream Turkish politicians ) including independent Istanbul Mayor Ali Mufit Gurtuna. Istanbul politicians believe that GP's electoral performance in November was no flash-in-the-pan, and that Uzan and his party are in politics for the long haul. End Summary.

## New Kid on the Block

12. (C) The November 2002 elections virtually wiped the Istanbul political landscape clean, leaving just two parties represented in parliament from Istanbul as elsewhere. Even the center-right Motherland Party (ANAP), which had long relied on Istanbul as a solid voter base, could only manage 4.6 percent here. The newly-formed Youth Party (GP), however, despite a late slump in the polls, managed to capture 8.3 percent of the Istanbul vote (improving on the 7.5 percent they received nationally). As the heir-apparent of one of Turkey's wealthiest, and most unscrupulous, family-owned conglomerates, GP chairman and media tycoon Cem Uzan was already well known before he entered politics. Rumors suggest that the firm began as a small construction outfit that ballooned in size as a result of illicit dealings and money-laundering with the Qadaffi Libyan government. Whether these rumors are true or false, almost all Istanbul residents we have spoken to take the Uzans' unscrupulous reputation for granted. While the USD 3 billion fraud case leveled by Motorola and Nokia against the Uzan family further enhanced their notoriety, most Istanbul Turks also remember how Uzan-owned Star Television won, and then reneged on, the contract to broadcast the premier Turkish soccer league games, but not before selling thousands of decoder boxes and non-refundable subscriptions.

## Local Billionaire Trying to Do Good?

13. (C) Despite his family's unsavory reputation, Cem Uzan appears to have made a successful transition to politics. In fact, some Istanbul contacts feel Uzan's personal wealth is a political asset (i.e., "With more money than he knows what do with, (Uzan) is unlikely to fall prey to the corruption "With more money than he knows what to that other politicians engage in"). Uzan also generously funded his own political campaign. A former top Star executive told poloff that Uzan spent USD 40 million of his personal fortune (Note: Others have put the figure as high as USD 100 million. End Note). Whatever the total, Uzan made a splash during the campaign by enlisting big-name music icons to provide "free" concerts during his rallies and reportedly offering free Telsim mobile phones to active supporters. Uzan also hired well-known Istanbul advertising executive Ali Taran not merely to produce GP's advertisements, but, according to a former Taran associate, to craft his entire public image to appeal to a wide, untapped voter base. result was a finely-calibrated message combining populist calls for lower taxes and higher spending with an anti-Western, anti-IMF patriotic appeal to Turkish national pride. Since the elections, Uzan continued his spending ways, blanketing Istanbul newspapers, television and radio with another carefully-crafted nationalistic message firmly opposing the U.S.-led war against Iraq, clearly another populist effort to play to the vast majority who opposed the war. Nor did Uzan limit the campaign to his own media GP Vice Chairman Tugba Kalafatoglu told poloff on April 10 that they paid triple the going rate for advertising space in rival Dogan group newspapers.

Building From the Bottom Up and the Top Down

¶4. (C) Istanbul Youth Party (GP) Chairman Hasan Bakkal

admitted to poloff on April 9 that GP had not been ready for early elections and had barely enough time to establish a token skeleton infrastructure in each of Istanbul's districts. GP had its first local party congress in February (where Bakkal himself was elected the chairman of a 60-person board) and has been working to develop a serious grassroots infrastructure throughout the city. Separately, City Council Motherland Party (ANAP) Group President Recai Delibasioglu told poloff that 12 of ANAP's Istanbul district chairmen had defected to GP since the elections. Bakkal's provincial headquarters, for example, will move to new, larger office space in the next few weeks to accommodate its growing staff. Bakkal estimated (while freely admitting that he did not have hard numbers) that GP has 150,000 registered volunteers in Istanbul. He told poloff that he hopes to have GP volunteers personally visit between 65 and 70 percent of Istanbul households by the end of the year. On the critical issue of finances, Bakkal claimed that GP is relying exclusively on small donations from party members. Bakkal expressed skepticism regarding the possibility that GP will receive government funds (Note: According to existing Turkish laws, based on its recent electoral performance, GP should now be entitled to annual disbursements of government funds. End Note).

15. (C) While building from the bottom, GP is also looking to recruit mainstream politicians at the top. On April 9, former State Minister and two-term True Path Party (DYP) parliamentarian Ufuk Soylemez formally joined the Youth Party (reftel). Meanwhile, Bakkal confirmed to poloff that GP has also invited independent Istanbul Mayor Ali Mufit Gurtuna to join the party. Bakkal claimed that Gurtuna is close to GP, but admitted that he has not yet made a decision. (Note: We had heard this from a number of other reliable sources as well. See septel for further details. End Note). Others have told us that they too have been approached by GP, including former Istanbul Mayor Bedrettin Dalan, former Ambassador and Ozal Adviser Kaya Toperi, and ANAP City Council Group President Recai Delibasioglu. Bakkal said that GP has been flooded with applicants, but that they are turning away all but the "best." Delibasioglu confirmed to poloff that the lack of viable political alternatives has given GP the luxury to be selective.

## Whither GP?

16. (C) GP is already looking forward to the upcoming April 2004 local elections, with a particular eye on the biggest prize of all, Istanbul. Our contacts here believe that GP's electoral success was no mere flash-in-the-pan and that Cem Uzan is here to stay. Motivated more by personal ambition than ideological convictions, many Istanbul politicians, like some of their colleagues elsewhere, are already trying to catch GP's rising star. Our contacts predict that this trend will accelerate if the AK government is unable to manage the formidable political and economic challenges ahead.

- 17. (C) What about Cem Uzan himself? Former Star executive and Uzan associate Aydin Ozdalga assured poloff that Cem Uzan personally is unlikely to run for local office, even for the influential position of Istanbul mayor. His ambitions lie much higher. As for his ideological convictions, Ozdalga and others believe that Uzan's anti-Western, populist rhetoric is skin-deep; were he to come to power, he would in all likelihood adopt more moderate policies. GP Vice Chairman Kalafatoglu made a similar argument, citing more modest, nuanced rhetoric in recent GP advertising.
- 18. (C) Comment: GP has made significant inroads in Istanbul with its nationalist bent and openly populist rhetoric, but the party still has its work cut out for it. For those Istanbul politicians that place political ambition above personal ideology, joining such a party would be acceptable if such a move seemed politically fortuitous. Consequently, many are in a waiting mode to see how the AK government fares in the coming months before deciding which way to jump. Altough some believe that the GP rhetoric is based more on political opportunism than any deep ideological conviction, it remains to be seen whether Cem Uzan and GP will moderate their tone in future elections or if they can eventually come to power.
- 19. (C) Embassy Note: Cem Uzan and the GP appear to modify their rhetoric according to regions. As such, their approach in Istanbul is likely to reflect a more urbane approach, at least at the top. Nationally, the party is uniformly more extreme in its opportunism; our contacts to date give us no reason to conclude that Uzan and GP will moderate their tone or policies if they come to office.

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